



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Sign an Agreement Extending the Laidlaw Transit Services Contract through June 30, 2003

MEETING DATE: April 3, 2002

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to sign an agreement extending the Laidlaw Transit services contract through June 30, 2003.

BACKGROUND INFORMATION: City of Lodi staff and Laidlaw Transit Services have been discussing possible changes to the contract for many months. The current contract officially ended July 1, 2001. We have been working on improvements to drivers' wages and benefits to improve customer service and service expansions, all while keeping costs affordable. The contract amendment (copy attached) includes new clauses which reflect a new pattern that transit agencies throughout the country are following. What has been learned is that low-bid proposals and contracts that do not include wage and benefit requirements result in high turnover and more accidents, which adversely affects customer service. Lodi has not been exempt from these problems, either. The turnover rate alone has hovered near 30% since the service was contracted out in 1996. The contract extension before you addresses these issues by establishing a minimum starting wage and minimum benefits. The wages and benefits are closer to a starting wage for a Public Works Laborer position.

The service expansions recently presented to the Council are also provided in the contract.

The revised agreement also provides that the City may require Laidlaw to provide general liability and vehicle insurance at additional cost. Staff believes this will save money, but needs to finalize costs and notification procedures with our current insurer, the California Transit Insurance Pool. A copy of the existing agreement is on file in the Public Works Department.

FUNDING: State Transportation Development Act and Fares (included on Page D-55 of budget)

Richard C. Prima, Jr.
Public Works Director

Prepared by Carlos Tobar, Transportation Manager

RCP/CT/pmf

Attachments

cc: City Attorney
Ronnie Burnett, Laidlaw Project Manager
Kirk Evans, Management Analyst

APPROVED: _____

H. Dixon Flynn -- City Manager

AMENDMENT TO AGREEMENT

Amendment No. 3

This Amendment No. 3 is made and entered into this 30th day of June 2001 by and between the City of Lodi, California, hereinafter referred to as "LODI" and Laidlaw Transit Services, Inc., the successor to DAVE Transportation Services, Inc., hereinafter referred to as "CONTRACTOR".

WITNESSETH

WHEREAS, LODI and CONTRACTOR entered into a prior agreement on the 18th day of September 1996, for the management and operation of LODI's transportation project; and

WHEREAS, LODI and CONTRACTOR desire to amend that Agreement,

NOW, THEREFORE, in consideration of the foregoing recitals and covenants, it is agreed that the Agreement between LODI and CONTRACTOR, is amended as follows:

- 1) Paragraph 3, Time Period, amended to read: this Agreement may be extended up to June 30, 2003.
- 2) Paragraph 4a, Maximum Obligation, is amended by adding the following sentence: The maximum cost to be paid by LODI to CONTRACTOR shall not exceed \$1,310,462.00 during the July 1, 2001 to June 30, 2002 period; nor shall it exceed \$1,717,930.00 during the July 1, 2002 to June 30, 2003 period.
- 3) Paragraph 4b, Maximum Obligation, is amended by adding the following sentence: The maximum amounts are based on the fact that the CONTRACTOR will provide a maximum of 46,960 Vehicle Service Hours from July 1, 2001 to June 30, 2002; and are based on the assumption that contractor will provide a maximum of 57,500 Vehicle Service Hours from July 1, 2002 to June 30, 2003.
- 4) Paragraph 4c, Maximum Obligation, is amended by adding the following additional periods to the listing in that paragraph to read:

July 1, 2001 to March 31, 2002	\$17.24 per vehicle service hour
April 1, 2002 to June 30, 2003	\$19.42 per vehicle service hour
- 5) Paragraph 5a, Price Formula, is amended to read: Effective April 1, 2002, payment of a fixed hourly rate, per vehicle service hour, shall be made as described in paragraph 4c above. CONTRACTOR agrees to pay minimum employee hourly wages based on the following formula:

New Hires	\$12.25
1 year of service	\$12.65
2 years of service	\$13.05
3 years of service	\$13.45
4 years of service	\$13.85
5 - 8 years of service	\$14.25
9 years of service	\$15.25

Years of service shall include the cumulative number of years a Laidlaw employee has been employed driving a City of Lodi revenue service vehicle.

CONTRACTOR, furthermore, agrees to offer all full-time employees health, dental, and vision insurance. CONTRACTOR shall pay all premiums, including any increases in premiums on behalf of the employee and dependents, up to \$558.00 per month for health insurance. The medical plans will be comparable to Kaiser Permanente's Traditional Plan or Aetna's Flex Medical Plan. Contractor shall bill separately, not to exceed \$126,000.00, for employees who choose Contractor's health, dental, and vision insurance.

- 6) Paragraph 5b, Price Formula, is amended by adding the following additional monthly rates: Payment of a fixed monthly rate, per service month, of \$39,606.50 per month from July 1, 2001 to June 2003.
- 7) Paragraph 13, Management, is amended to read: During the term of this Agreement, CONTRACTOR shall provide sufficient executive and administrative personnel as shall be necessary and required to perform its duties and obligations under the terms of this Agreement. CONTRACTOR, furthermore, agrees to pay hourly administrative employees \$.75 per hour more than the drivers' wages described in Paragraph 5a.
- 8) Paragraph 24, Communications, is amended to read:

If to CONTRACTOR Laidlaw Transit Services, Inc.
Attn: Area Vice President
2581 Washington Road, Suite 223
Pittsburgh, PA 15241

IN WITNESS WHEREOF, the parties hereto caused this Amendment No. 2 to be executed by and through their respective officers on that date first written above.

CITY OF LODI

LIDLAW TRANSIT SERVICES, INC.

By: _____
H. Dixon Flynn
City Manager

By: _____
William Yates
Senior Vice President

DATE: _____

DATE: _____

ATTEST:

Susan J. Blackston, City Clerk

(CORPORATE SEAL)

DATE: _____

APPROVED AS TO FORM:

Randall A. Hays
Randall A. Hays
City Attorney

DATE: 3-28-02

RESOLUTION NO. 2002-75

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING AN
AGREEMENT EXTENDING THE CONTRACT WITH LAIDLAW
TRANSIT SERVICES, INC., THROUGH JUNE 30, 2003, AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE
AGREEMENT ON BEHALF OF THE CITY OF LODI

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WHEREAS, on July 19, 2000, the City Council approved Resolution No. 2000-124 approving an amendment to the contract between the City of Lodi and Laidlaw Transit Services, Inc., extending the contract through June 2001; and

WHEREAS, the City of Lodi has been operating without a contract extension with Laidlaw since July 1, 2001; and

WHEREAS, staff proposes a new agreement extension that reflects a new pattern that transit agencies throughout the Country are following; and

WHEREAS, it has been learned that low-bid proposals and contracts that do not include wage and benefit requirements, result in a high turnover and more accidents, which adversely affects customer service; and

WHEREAS, the turnover rate in Lodi has been approximately 30% since the service was contracted out in 1996; and

WHEREAS, the proposed amendment establishes a minimum starting wage and minimum benefits. This agreement extension shall take effect July 2001, with the exception of the change to the wages and benefits, which shall take effect April 3, 2002.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the agreement extending the contract with Laidlaw Transit Services, Inc., for transit services. This agreement extension shall revert back to July 2001 and be in effect through June 30, 2003, with the exception of the change to the wages and benefits, which shall take effect April 3, 2002; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute the agreement extending the contract through June 2003 on behalf of the City of Lodi.

Dated: April 3, 2002

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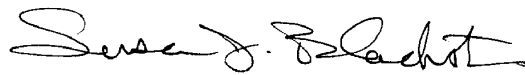
I hereby certify that Resolution No. 2002-75 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 3, 2002 by the following vote:

AYES: COUNCIL MEMBERS – Howard, Land, Nakanishi, and Mayor Pennino

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hitchcock

ABSTAIN: COUNCIL MEMBERS – None

A handwritten signature in black ink, appearing to read "Susan J. Blackston", with a stylized, flowing script.

SUSAN J. BLACKSTON
City Clerk

DIAL-A-RIDE AND GRAPELINE EMPLOYEES

April 3, 2002

City Council Members
221 W Pine St.
Lodi, Ca 95240

Dear City Council Members:

The Drivers and Office staff of Grapeline, and Dial-A-Ride would like to thank the City Council Members for their consideration in the matter of renewing the City of Lodi's contract with Laidlaw Transit Services, Inc. We would like to thank you for all your help in improving the pay scale, and the benefits for all of our employees. We would also like to thank Carlos Tobar for all the hard work he has done to improve transit, we will miss him very much. He has always been very fair to all of us, and treats everyone with great respect.

Sincerely,

Employees of Grapeline and Dial-A-Ride

Norm K. Leibel
Becky Lopez
Hector Serrano Jr.
R. [unclear] Lisa Mard
D. McLaughlin
Kim [unclear]
[unclear] Sue Folk-McKee
Ernie Elliott
Linda Tice
[unclear] Gomez
+ Hector M. Serrano Sr.
Linda Moore

Yolanda Branscoe
Kim Loeck
Carol Indsag
Betty A. Berger
Stephen Reid
Carmie Bacorn
Alexandria Zavala
[unclear]
Ken Romans
Shane Bennett
Jim James

[STREET ADDRESS] • [CITY/STATE] • [ZIP/POSTAL CODE]
PHONE: [PHONE NUMBER] • FAX: [FAX NUMBER]